

**MINUTES OF THE SPECIAL MEETING OF THE NORTH COUNTY LIBRARY
AUTHORITY OF THE CITY OF LOS ALTOS, HELD ON MONDAY,
NOVEMBER 26, 2018, AT 6:00 P.M. IN THE LOS ALTOS LIBRARY
13 S. SAN ANTONIO AVE, LOS ALTOS, CALIFORNIA**

ESTABLISHED QUORUM AT 6:01 P.M.

PRESENT: President Cindy Hill, Vice President Jean Mordo, Secretary Suzanne Epstein,
Courtenay Corrigan and Jan Pepper (arrival at 6:08 pm)

ABSENT: None

PUBLIC COMMENTS

None

ITEMS FOR CONSIDERATION/ACTION

1. Commission Meeting Minutes

The minutes from the meeting of July 11, 2018 were moved for approval by Jean Mordo and seconded by Cindy Hill. **AYES:** Hill, Mordo, Epstein and Corrigan. **NOES:** None. **ABSTAIN:** None. **ABSENT:** Pepper

2. Use of NCLA Funds

Ms. Epstein provided a history of library services in Los Altos, including previous library remodel projects. A written summary is attached.

The question was raised of the proper use of NCLA funds. Ms. Epstein stated a critical role of NCLA is to provide fiscal oversight of the use of Library Parcel Tax 889. Two questions were raised about the appropriate use of NCLA funds: 1) should NCLA pay for administrative costs; and 2) should NCLA parcel tax funds be used in support of the new Los Altos Library redevelopment project. The Board members discussed the intent of the parcel language and interpretation of the Joint Powers Agreement language. Mr Mordo requested NCLA attorney Christopher Diaz provide a legal analysis of the JPA language and provide legal guidance to the Board on the two questions raised about use of NCLA funds.

Attorney Diaz indicated he would need to evaluate this issue and could not comment immediately about this question. But in terms of use of public funds for a contemplated or scheduled ballot measure, As a general rule, prior to calling a tax measure, public funds can generally be used to hire consultants, polling experts, and support for outreach before an election. The League of Women voters case is the frequently cited court guidance. Whether public funds may be used for ballot measure advocacy is more of a gray area.

Once a measure is placed on a specific election ballot, two cases, Stanson vs. Mott and Vargas, prevent use of public funds for advocacy efforts. Public funds may be used to provide information

but may not pay for campaign materials. This guidance is sometimes summarized as “educate, don’t advocate”. Public funds may help educate the citizenry but cannot promote a position.

Attorney Diaz will return to a future meeting with a response to the appropriate use of NCLA funds for administrative costs and support during a potential library redevelopment project.

Commissioner Corrigan asked for a future agenda item to discuss NCLA Administrative costs.

3. Financial Update

Two new financial items for Board consideration are a request from the Task Force for the authority to use \$75,000 of NCLA funds for outreach on the Library Redevelopment Project, and a letter from the Santa Clara County Library District notifying NCLA of one-time additional funds available for use in FY 2019-20.

With regard to the request from the Task Force, the Board will await the opinion of the NCLA Attorney before making a decision. The current FY 18-19 NCLA budget anticipated some increased support costs due to more frequent meetings and resources to support the Library Redevelopment Project. NCLA has typically only held a few meetings per year; the administrative costs have been quite small. Given the need for additional resources and time for the new Library Redevelopment Project, NCLA costs have already increased and may continue to grow further. There are also some ongoing questions about the status of the NCLA investment funds. Those will need to be addressed. It is recommended a process be put in place to better share financial information.

Item 3E (Letter from SCCLD detailing one-time funds available for library services in FY 19/20) – Chris Brown, Deputy County Librarian, stated County library staff has scheduled meetings with City Managers from Los Altos Hills and Los Altos to discuss options for the use of these County funds on December 12, 2018. The Board asked why the County is not meeting with NCLA, as the library funding body. It was suggested to include an NCLA representative in that meeting.

Discussion continued about why these funds are available. This is an effort to level out funding of hours at all libraries in the system. Approximately \$300,000 will be provided for the two Los Altos libraries. There was a suggestion to fund an extension of hours at Woodland Branch Library to stay open until 6 pm for 4 nights a week (one extra hour 4 days/week). It was requested the County provide that cost.

Another idea raised by the Board is to use these County funds toward the Library Redevelopment Project. These funds may be considered less restricted than the Parcel Tax funds. It was recommended follow-up discussion with the County about use of these funds.

Another area of discussion included the County matching funds for the unincorporated areas within the Parcel Tax boundary. That payment stopped several years ago. There was a question if those monies could be paid in arrears.

4. Update on Los Altos Library Redevelopment Project and Task Force

The Task Force meets once per week, with additional meetings for subcommittees. Seven Task Force members attended this NCLA meeting. This is a very dedicated, hard-working group. Significant time has been devoted to preparing an FAQ sheet, preliminary schedule, timeline and

proposed budget. They have received 3 presentations from consultants: 2 on outreach and one on private fundraising. The consultants presenting included Clifford Moss, TDWB and Lou Edwards. The Palo Alto Librarian also spoke to the Task Force about the City's experience building a new library. The LALE Board last week approved up to \$150,000 for funding after the ballot decision is made, at which point public money would not be available.

The follow questions generated from the Task Force were reviewed by NCLA:

a) Must the Task Force use an RFP process to select consultant(s)?

Be sure to carefully research consultants' backgrounds. Gather feedback from prior clients. Cost is an important criteria, but not the only criteria. Using RFP process is a best practice and provides transparency. Jon Maginot is the Task Force Liaison and recommended an RFP for quantitative assessment. He will take the lead on preparing the RFP with help from several Task Force members.

b) Will Task Force stay in place through design of library?

The intent is yes, but members may decide if they wish to conclude their service. It was suggested to add milestones into the timeline for opportunities to evaluate progress and check in with the Task Force. The Task Force is expected to end once a decision is made on a tax measure. There will be opportunities to stay involved in the Project even after the Task Force ends. There is a sub-group of our community group for the Los Altos Community Center Project who have expertise in building, construction. It may be appropriate to look at skill sets needed at that time.

c) Conceptual design of new library is needed at least 6 months before vote so residents can visualize when they consider the tax measure. Is that in purview of task force?

Yes. The conceptual design should be provided to NCLA first. The public can weigh in through the NCLA meeting at that time. There should be adequate time to allow NCLA to evaluate the conceptual design and have public consideration.

Approximately half of the Task Force members are long-time community members active in libraries, and about half are newer residents. The Task Force also includes representatives from the libraries' support groups.

d) Will there be a senior exemption clause as part of the tax measure?

Currently there is a senior exemption option in the existing Parcel Tax with 19 senior exemptions approved.

We have not decided on the type of bond measure yet. Will it be parcel tax? Bond Measure? The Godbe survey pointed to bond measure. Attorney Diaz mentioned in the memo from Best, Best & Krieger there are different financial options, including a Community Facilities District (CFD). That is a Mello Roos tax and would not require voter approval. The Board asked if a CFD can provide a senior exemption. Attorney Diaz will verify and return with that information.

e) How do we accept private donations?

The intent is to have some public financing measure and some private donations to fund the library project. The hope is for \$35 million from a tax measure and \$15 million in private donations. Other library organizations are 501(3)c status. Can they help raise funds? A consultant can help us with a strategy to raise funds, and LALE can receive all private contributions. Attorney Diaz reminded the Board that if the Board seeks private donations, they may have to file reports of Bequested Donations. A conflict is unlikely, but something to keep in mind. A Board consensus that private fundraising should be received by LALE and the expense for a private fundraising consultant should not be paid by NCLA funds.

f) By what process will decisions be made by NCLA?

The Task Force will make recommendations to NCLA. The Task Force cannot authorize expenditures. Will NCLA need to meet with consultants before selecting one? No, NCLA will look to recommendations from the Task Force.

Does NCLA have authority to approve money? This returns back to legal question about what parcel money can and cannot be spent on. However NCLA can spend money from other sources on library project. NCLA can accept other funds from LALE, Friends of Library, County money and use it for these consultants.

g) Clarify the role of Friends of the Library and LALE to fund bond campaign.

Can task force speak on behalf of NCLA or is it vice-versa? Can Task Force request funding from FOL, LALE or should that come from NCLA? The preference is for the Task Force to recommend to NCLA and NCLA make the ask.

h) Any guidelines for requesting funds from non-library entities ?

An example would be the Los Altos Community Foundation. It has been discussed and decided LALE will conduct private fundraising.

i) Did Jean Mordo contact John Arrillaga about providing funds for Library Project?

Jean Mordo does not know Mr. Arrillaga and has not made any such contact. Mr. Arrillaga offered money to Menlo Park for their library project but those funds ultimately were not used. The Board will delegate private fundraiser efforts to LALE, who can identify appropriate sources.

j) Can the County Library District pay for part of the campaign or new Library?

Did previous remodel funds come from the County? In 1994 the County contributed to remodel. However, after that, a new County policy was put in place preventing County financial participation in new library projects. The County may set aside money to pay for space enhancements. There may be an opportunity for the County marketing personnel to assist under specific circumstances. That may be discussion topic at the December 12 meeting.

k) Does NCLA have a target date for a tax measure?

Potentially November 2020, but NCLA is waiting for further information and consultant guidance.

In summary, the request from the Task Force includes:

- NCLA authorization for \$75,000 in NCLA funds for Task Force to hire an outreach consultant.
- NCLA review of Task Force budget.

Comment from Board that the polling indicated support in the low 60s, and the tax measure would need to get to 66%. It seems a budget of \$500,000 is a lot of money. But included is \$150,000 from LALE. It was asked where the rest of that money would come from. One potential source of funds is the two Cities, that is not reflected.

What is the funding model? Who pays for what? Where do all of the organizations fit in? Should NCLA host a meeting with LALE and the Friends? After the first of the new year? This will be a special joint meeting.

A request from Jon Maginot to clarify whether to proceed with the RFP without the current approval of funds. He would be hesitant to issue an RFP without a commitment to award a contract. The NCLA will wait for legal guidance on use of NCLA funds. Mr. Maginot and the Task Force will not issue the RFP until there is more clarity.

8. Proposed Future Meeting Schedule

The NCLA Board set the following meetings:

January 14, 2019 at 6 pm for a Special Joint Meeting with LALE and Friends of the Library
January 28, 2019 from 6 pm to 7:30 pm for a Regular Meeting of NCLA
February 25, 2019 at 6 pm for a Special NCLA meeting
May 20, 2019 at 6 pm for a Regular Meeting of NCLA

[Board Member Pepper left at 7:55 pm]

5. Legal Analysis of Options to Expand Boundaries

A question from the prior meeting addressed whether unincorporated parcels existing in the current parcel tax territory (but not subject to the parcel tax) could be incorporated into a new tax measure. Best, Best & Krieger Counsel provided a memo of options.

The County could join the JPA. That may change the Board composition. What impacts if County joins the JPA? Attorney Diaz stated the County would be one additional member, the cities would combine taxation powers with the County. Potential political concerns about how these properties might respond.

This has arisen before. The pockets excluded from the parcel tax have distinct boundaries. The County has responded they don't want to incorporate some neighbors but others across the street would remain unincorporated. That is why the County offered to pay NCLA 10% of those unincorporated residents excluded from the parcel tax. However they have not been paying that 10% for the last 3 years.

An amendment to the JPA would have to be signed by both city councils and the County. Does the JPA agreement identify who can be appointed to the Board? The agreement says to appoint two commissioners, they don't have to be elected officials.

Commissioner Corrigan will initiate a meeting with County Supervisor Joe Simitian to ask if there is a possibility the County would partner with the 2 cities and help us identify a boundary and join the JPA.

The County has a map of the areas designated in the unincorporated portion. A second option is the 1,200 parcels in the defined pockets.

6. County Update

The County is reviewing how the increase in funding for hours has impacted service at Woodland Branch. County staff will provide more information at a future meeting.

7. Review of City of Los Altos Unclaimed Funds Policy & Procedures

This item is informational, the City recently adopted a formal policy to address unclaimed funds. NCLA has approximately \$40,000 in unclaimed funds which will be processed according to this policy. The Board stated it is important to track these funds and ensure they are dedicated to NCLA use.

The Board thanked Commissioner Mordo for his service and bid him farewell.

INFORMATIONAL ITEMS

COMMISSIONERS' REPORTS AND COMMENTS

POTENTIAL FUTURE AGENDA ITEMS

ADJOURNMENT

Adjourned at 8:14 pm.